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Message Text

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TO AMEMBASSY KINGSTON PRIORITY

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FOR ASSISTANT SECRETARY ROGERS

FOLLOWING REPEAT BRASILIA 7358, SENT SECSTATE, INFO TOKYO, BUENOS AIRES, CARACAS, JAKARTA, SAO PAULO, RIO DE JANEIRO, ASUNCION , MONTEVIDEO AUGUST 22:

QUOTE LIMITED OFFICIAL USE BRASILIA 7358

E.O.11652: N/A
TAGS: N/A
TAGS: EGEN, PFOR, JA, BR
SUBJECT: JAPANESE VICE-PRIME MINISTER FUKUDA BEGINS VISIT TO BRAZIL

REF: BRASILIA 7301 (NOTAL)

1. SUMMARY: JAPANESE VICE-PM TAKEO FUKUDA HAS ARRIVED IN BRAZIL FOR AN 8-DAY OFFICIAL VISIT. ACCORDING TO A SENIOR JAPANESE EMBASSY OFFICIAL, THE VISIT IS PART OF A HIGH-LEVEL EXCHANGE TO STRENGTHEN RELATIONS, WHICH ARE "RELATIVELY NEW AND VERY GOOD". FUKUDA, HE SAID, WILL ADDRESS WORLD ISSUES GENERALLY, PRIMARILY ECONOMIC, AND HE MIGHT ASK BRAZIL TO MAKE KNOWN JAPAN'S ECONOMIC VIEWS TO PARTICIPANTS IN NEXT WEEK'S NON-ALIGNED CONFERENCE IN LIMA. EMB OFFICIAL EXPECTED THE GOB WOULD RAISE TWO BILATERAL ISSUES WITH FUKUDA, THE BILATERAL LIMITED OFFICIAL USE

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TRADE DIFICIT AND JAPANESE PARTICIPATION IN THE ALBRAS ALUMINUM

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PROJECT. HE EXPRESSED HOPE THAT THE TWO COUNTRIES COULD
COLLABORATE ON INTERNATIONAL OIL ISSUES. END SUMMARY.

2. JAPAN'S DEPUTY-PM AND MINISTER FOR ECONOMIC PLANNING,
TAKEO FUKUDA, ARRIVED IN RIO ON AUGUST 20 TO BEGIN AN 8-DAY
OFFICIAL BISIT TAKING HIM ALSO TO SAO PAULO, BELEM, AND
BRASILIA, WHERE HE WILL CALL ON PRESIDENT GEISEL AND VARIOUS
MINISTERS. JUST PRIOR TO JUKUDA'S ARRIVAL, COUNSELOR HIROSUKE
OSHIMA OF THE JAPANESE EMBASSY DISCUSSED THE VISIT AND
RECENT BRAZILIAN/JAPANESE RELATIONS WITH EMBOFF.

3. THE VISIT'S MAINOBJECTIVES, ACCORDING TO OSHIMA, IS TO
CONTINUE THE EXCHANGE OF HIGH-LEVEL VISITS BEGUN LAST YEAR
WHEN THEN-PM TANAKA VISITED BRAZIL. OSHIMA NOTED THAT
THE NEXT LINK IN THE EXCHANGE, PRESIDENT GEISEL'S VISIT TO
JAPAN, IS SET FOR NEXT SRING. ACCORDING TO OSHIMA, THE
EXCHANGE IS STRENGTHENING JAPAN'S "RELATEVELY NEW AND VERY
GOOD"RELATIONS WITH BRAZIL, WHICH HAS A JAPANESE COMMUNITY
OF 800,000 AND 70-80 PERCENT OF JAPAN'S ECONOMIC INTERESTS
IN LA. THE TWO COUNTRIES, HE CONTINUED, HAVE FEW POLITICAL
RELATIONSHIPS AND NO MAJOR ECONOMIC DISPUTES. IN TALKS
WITH GOB OFFICIALS, ACCORDING TO OSHIMA, FUKUDA WILL ADDRESS
WORLD ISSUES, PRIMARILY ECONOMIC, AND HE WILL REVIEW THE
SOUTHEAST ASIAN SCENE AND PM MIKI'S US TRIP. OSHIMA
STRESSED THAT FUKUDA'S REMARKS WILL BE GENERAL. HE SAID
THE EMBASSY HAD RECOMMENDED TO TOKYO THAT JUKUDA INQUIRE
ABOUT BRAZILIAN/US RELATIONS,BUT OSHIMA
WOULD NOT ELABORATE ON WHAT ASPECTS WERE OF SPECIAL
INTEREST. HE DID NOT EXPECT NUCLEAR ISSUES TO BE RAISED.

4. OSHIMA THOUGHT THAT BRAZIL WOULD RAISE TWO BILATERAL
ISSUES, THE BILATERAL TRADE DEFICIT AND JAPANESE PARTICIPATION
IN THE ALBRAS ALUMINUM PROJECT. HE POINTED OUT THAT
JAPAN EXPORTS ABOUT $1.3 BILLION TO BRAZIL AND IMPORTS HALF
AS MUCH. HE ATTRIBUTED THE IMBALANCE TO JAPAN'S RAPID
EXPORT EXPANSIONGN NOT TO A DISINCLINATION TO BUY BRAZILIAN
GOODS. OSHIMA HAD NO IDEA WHAT THE BRAZILIANS WOULD SAY ON
THIS TOPIC.REGARDING THE HUGE, $5.5 BILLION ALBRAS ALUMINUM
PROJECT, OSHIMA EXPECTED THAT THE GOB WOULD PROBABLY SEEK A COMMIT-
MENT FROM FUKUDA THAT JAPANESE COMPANIES WILL PARTICIPATE.
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FUKUDA IS "NOT SUPPOSED TO GVIE A COMMITMENT," OSHIMA EXPLAINED,
SINCE: (A) ALBRAS IS ONLY IN THE PRE-FEADIBILITY
STAGE, (B) JAPANESE ALUMINUM COMPANIES ARE HAVING TROUBLE
RAISING MONEY FROM JAPANESE PRIVATE BANKS BECAUSE THE
JAPANESE FINANCIAL SITUATION IS "BAD" AND BECAUSE THE ALUMINUM
COMPANIES HAVE COMMITTED THEMSELVES TO THE ASAHAN ALUMINUM
PROJECT IN INDONESIA, AND (C) THE ASAHAN PROJECT WILL SUPPLY
A LARGE SHARE OF JAPANESE NEEDS, WHICH "ARE NOT GREAT".

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OSHIMA NOTED THAT JAPAN'S "MAJOR" AGRICULTURE COOPERATION PROJECT, DESIGNED TO IMPROVE SOIL FERTILITY IN GOIAS, SAO PAULO, AND MINAS GERAIS, HAD JUST BEGUN.

5. TURNING TO THE MULTILATERAL AREA, OSHIMA SAID FUKUDA MIGHT ASK BRAZIL TO MAKE KNOWN JAPAN'S VIEWS ON WORLD ECONOMIC ISSUES TO PARTICIPATE AT NEXT WEEK'S NON-ALIGNED CONFERENCE IN LIMA. OSHIMA ADMITTED, HOWEVER, THAT "WE DON'T KNOW WHAT THE BRAZILIANS WILL SAY TO THIS-- THEY MIGHT WELL SAY NO," ESPECIALLY IN VIEW OF BRAZIL'S " POSITION AMONG THE NON-ALIGNED. OSHIMA EXPRESSED THE HOPE THAT BRAZIL AND JAPAN COULD COLLABORATE ON INTERNATIONAL OIL ISSUES SINCE BOTH COUNTRIES ARE LARGE OIL IMPORTERS AND HAVE SIMILAR, NON-CONFRONTATIONAL APPROACHES TO DEALING WITH THE OIL PRODUCERS. HE OBSERVED THAT THE INTERESTS OF THE TWO COUNTIRES ON MANY OTHERMINERALS QUESTIONS ARE "LESS SIMILAR" SINCE BRAZIL IS A MAJOR EXPORTER OF SOME MINERALS. HE POINTED TO CONTRARY BRAZILIAN/JAPANESE INTERESTS IN THEMTN. HE SAID THA THE EMBASSY HAD RAISED UN-7SS ISSUES SEVERAL TIMES BUT HAD RECEIVED NO RESPONSE, "APPARENTLY BECAUSE THE GOB HASN'T YET MADE UP ITS MIND". CRIMMINS UNQUOTE. MAW

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